

## **Solicitation of Offers**

OLD CONGRESS HEIGHTS SCHOOL

600 Alabama Avenue, S.E.  
Parcel 235/Lot 6  
Washington, D.C.

**The Government of the District of Columbia (“District”) hereby solicits offers for the long-term lease and redevelopment of the Old Congress Heights School, located at 600 Alabama Avenue, S.E., Washington, D.C.**

## **1. Introduction**

The Old Congress Heights School has been the subject of extensive study by neighborhood residents, members of the business community, government agencies, and professional advisors. A Planning Study was developed in 2002 and jointly issued by the East of the River Community Development Corporation and the Old Congress Heights School Planning Task Force. This Solicitation of Offers is intended to identify the Offeror who can bring the goals of the Planning Study to fruition.

Old Congress Heights School is prominently located in the Congress Heights neighborhood, at the intersection of Alabama Avenue with Martin Luther King, Jr. Avenue in Southeast. The school was constructed in 1897 to serve elementary school-age children from the neighborhood; the steadily increasing population necessitated the addition of more classrooms and an auditorium in 1927. The building is distinctive because of its Gothic Revival detailing and stucco exterior.

## **2. Neighborhood Context**

The Congress Heights neighborhood shares the same challenges as most of the communities in Ward 8 that struggle with providing adequate educational and employment opportunities. In recent years, however, numerous new housing developments have been planned and/or constructed, many replacing public housing with dwellings to serve residents with a mix of income levels. Two successful Hope VI projects from the area are Wheeler Creek Estates (357 dwelling units plus a senior apartment building) and Henson Ridge (600 dwelling units, evenly divided between for-sale and for-rent). Other market-rate townhouse developments in the area include the Walter Washington Estates, Oxon Creek Townhomes, and Douglas Knoll.

The closest major shopping center to Congress Heights is the Good Hope Marketplace, located at the intersection of Alabama Avenue with Good Hope and Naylor Roads. A Giant supermarket is planned as part of the redevelopment of Camp Simms. Neighborhood-serving retail uses within the Congress Heights neighborhood itself is both elusive and highly desirable.

### 3. Site Characteristics

The general parameters of the site follow:

Property Address:	600 Alabama Avenue, S.E. Washington, D.C.
Legal Description:	Parcel 235/Lot 6 (the “Property”)
Site Area:	107,593 square feet (2.5 acres)
Gross Building Area:	48,000 square feet (approx.)
Lot Occupancy:	Approximately 15%
Zoning:	R-2 (Single-Family Residential)
Historic Designation:	No

The triangular site is surrounded on all sides by public streets and has extensive frontage along Alabama Avenue, Martin Luther King Jr. Avenue, and Randall Place.

Although the property has not been designated historic, the District expects such a designation in the future and requires that any redevelopment of the site treat the Property as if it were already designated. There is subdivision potential (absent a historic designation that might preclude it), provided that it is consistent with the preferred option in the Planning Study – specifically, that the value/income derived from any new development would be leveraged to support the redevelopment of the historic school building and to support community-oriented uses.

The developed density on the site is about 0.45 FAR. Although the R-2 zoning of the site does not have a prescribed density limitation, the limits on lot occupancy and number of stories combine to create an effective limit of 1.2 FAR. Although not permitted for new construction as a matter-of-right, structures existing since 1958 may be converted to multi-family use at the rate of one dwelling unit per 900 square feet of land. Also, the offices of non-profit organizations may be located in converted historic residential buildings of 10,000 square feet or more with the approval of the Board of Zoning Adjustment.

Further, support was given in the Planning Study to a prospective rezoning of the site to C-2-A. In addition to the greater density that is permitted in the C-2-A

zone (2.5 FAR maximum, of which 1.5 FAR may be non-residential), a broader number of uses is permitted, including neighborhood-serving commercial.

The school building is structurally sound. It has been occupied for a number of years by a local church.

#### **4. General Program Requirements**

District of Columbia Charter Schools will be given first preference in the selection process, provided that they meet the Minimum Criteria and that so doing will not result in a significant loss of revenue that might be obtained from other offers as determined by the District in accordance with Section 6.B. below. Charter schools are encouraged to partner or co-locate with other users/uses to enhance their ability to meet the Minimum Criteria (as defined in Section 6.A. below) and to conform to the parameters outlined in the Planning Study.

Offerors have maximum flexibility in their development proposals to address the various selection criteria. Offers should address the restoration of Old Congress Heights School as a historic building and include uses that will stabilize and enhance the neighborhood, such as those specifically outlined in the Planning Study.

There is no single preferred use for the Old Congress Heights School and its site. Uses that are most desirable are those that will serve the immediate community, such as the following, which were discussed in the Planning Study:

- recreation, park or landscaped open space for the use and enjoyment of neighborhood residents;
- job-training or vocational education programs;
- space for community meetings and activities or a community center (specifically in the auditorium); and
- new neighborhood-serving retail and office development.

#### **5. Conditions of Long-Term Lease**

The District is offering to lease the Old Congress Heights School for a period of at least thirty (30) years. Among the terms of the lease will be specific development parameters and use restrictions that will affect the Property consistent with the terms of the successful offer and this Solicitation.

The Property will be leased or sold in “as-is” condition, without warranty by the District as to the physical condition of the land or structures. The District makes no representations regarding the character or extent of soil or subsurface conditions or the conditions and existence of utilities that may be encountered

during the course of any redevelopment. The Offeror should draw its own conclusions concerning conditions that may affect the methods or cost of redevelopment.

The District will provide access to the Property at scheduled times for the purpose of allowing prospective Offerors to inspect the property and perform such reasonable studies as may be relevant to formulating a response to this Solicitation. Prospective Offerors should rely on their own surveys, observations, investigations, measurements, inspections, inspection reports, and conclusions in submitting a proposal for the redevelopment of the Property. The District makes no representations in this regard.

## **6. Selection Criteria**

The District will review the submissions for two sets of criteria. The first is a set of Minimum Criteria that must be met for the offer to be considered responsive. All of the offers that meet the Minimum Criteria will then be evaluated for the Discretionary Criteria. In its sole and absolute discretion, the District will then select one of the offers.

The District reserves the right, in its sole and absolute discretion, to reject all offers and re-advertise at a later date.

### **A. Minimum Criteria**

#### **1.) Local, Small, Disadvantaged Business Enterprises (LSDBE) Participation**

The District of Columbia Municipal Regulations provide guidelines and goals for the participation of LSDBE contracts for professional and technical services and construction contracting and purchasing. The Offeror must agree to execute and be bound by a Memorandum of Understanding ("MOU") with the Office of Local Business Development to ensure an LSDBE participation rate of at least 35% of contracting opportunities created by the redevelopment project.

#### **2.) First Source Hiring**

The Offeror must agree to execute and be bound by a First Source Hiring Agreement with the District's Department of Employment Services ensuring that the Bidder will use reasonable efforts to ensure that 51% of new employment

opportunities created by the project will be filled by District residents.

3.) Historic Preservation and Reuse

The Offeror must submit an offer that incorporates a plan to restore the Old Congress Heights School in compliance with all applicable historic preservation laws, regulations, and standards ("District's Historic Preservation Standards").

4.) Financial Feasibility

Financial feasibility is essential for a viable offer. Offerors must include a detailed development budget for the proposed design concept and proposed sources and uses of funds. Offers that rely on prospective future private fundraising, appropriated dollars from the District operating or capital budget, or unidentified Federal funding may, in the sole and absolute discretion of the District, be considered non-responsive.

**B. Discretionary Criteria**

The following criteria shall be considered by the District in its sole and absolute discretion:

1.) Development Team Qualifications and Experience

The qualifications and experience of the Offeror, as demonstrated by the Team Members' experience developing the preferred land uses, historic preservation, and ability to raise debt and equity will be considered.

2.) LSDBE Participation and First Source Hiring

The extent to which an Offeror commits to exceed the 35% minimum requirement for LSDBE participation or to exceed the 51% minimum requirement for First Source hiring outlined above will be considered. Offerors are encouraged to submit a credible plan to provide employment to residents or businesses within the Congress Heights neighborhood.

### 3.) Architectural Design

In addition to the minimum requirement to restore the Old Congress Heights School to productive use in a historically-sensitive manner, any additional development of the site, including landscaping, should be designed in a way that is consistent with the historic building and invites the community into the Property. Specific consideration will be given to landscape and lighting improvements that will enhance the safety and security of the users of the site and surrounding residents without compromising accessibility. Any new construction that is proposed on the site must be compatible with the historic character and scale of the existing school building.

### 4.) Program of Uses and Public Benefits

- a.) As mentioned above, Charter Schools will be given first preference. However, the extent to which a charter school partners or co-locates with other uses that provide neighborhood-enhancing amenities as outlined in the Planning Study will be considered.
- b.) In general, those uses that have been specifically identified in the Planning Study and are consistent with the historic structure will be preferred. Off-site benefits not directly related to Old Congress Heights School will be given little or no consideration.

### 5. Financial Feasibility

After the Minimum Criteria have been satisfied, projects with substantial likelihood of success will be given greater preference. Ready access to cash or financing will be given preference; reliance on unspecified sources of funds (e.g., fundraising) will not be given preference. Projects with the potential to generate income on-site or with reliable on-going sources of funds in order to be self-sustaining (post-redevelopment) will be given greater preference.

## 6. Rental Amount

Offered rent is a consideration, as are other economic factors, including revenues, fees, and other payments to the District, either directly or indirectly resulting from the project.

## 7. Developer Submissions

Offerors are required to submit the following materials, an original and ten (10) copies, no later than 4:00 p.m. on **May 24, 2006** to:

Office of Property Management  
Attn: Eric Scott, Project Coordinator  
441 4<sup>th</sup> Street, N.W., Suite 1100-South  
Washington, D.C. 20001

Please provide the information as indicated under each sub-heading below:

### A. Refundable Deposit

A Ten Thousand Dollar (\$10,000) refundable deposit is required. The deposit shall be in the form of a letter of credit substantially in the form attached hereto as Exhibit A.

Offerors are invited to submit more than one development scenario and/or pricing proposal. Multiple development programs and financial offers by the same Offeror will be considered a single submission and only one deposit is required.

### B. Team Members (collectively, the "Offeror")

- 1.) The name, address, telephone number, and fax number of each principal, partner, entity, or joint-venture partner participating as the Offeror;
- 2.) The name, address, telephone number, fax number, and e-mail address of the representative authorized to act on behalf of the Offeror, who will be available to respond to questions or requests for additional information;
- 3.) Identification of any affiliation or other relationship between any of the members of the Offeror and any development company, parent company, or subsidiary;



- 4.) Identification of any personal or professional relationship among or between any members of the Offeror and any person working for, appointed to a position in, or elected to an office of the District of Columbia Government or any entity for which there may be a conflict of interest or the appearance of a conflict. The District, in its sole discretion, reserves the right to determine a conflict of interest or the appearance thereof; and
- 5.) Satisfactory evidence that all tax liabilities and other governmental impositions are current and that there is no ongoing litigation involving the District as such relates to each entity or individual participating as the Offeror (e.g., certificates of good standing).

C. Qualifications and Experience

- 1.) If the Offeror is not an individual doing business under his or her own name, a description of the status of his or her organization (whether a corporation, non-profit or charitable institution, partnership, limited liability corporation, a business association, or joint venture) indicating under which laws it is organized and operating, and a brief history of the organization and its principals;
- 2.) The principals, partners, or joint-venture partners participating in the proposal, who have agreed to be a part of or participate as the Offeror, must be qualified and eligible to transact business with the District of Columbia and in the District of Columbia. A copy of any written agreement/document creating any entity responding to this offer must be provided at the time of the Offeror's response;
- 3.) The name of the individual who will be, or whose organization will be, the managing principal or partner;
- 4.) The nature and share of each participant's financial investment in the project or the proposing entity and the role of each;
- 5.) Relevant projects with which the managing partner and the design architect have had primary involvement, including illustrative material of projects that demonstrate their respective abilities, the name and address for each project identified, the name and telephone number of persons familiar with the development who will respond to any inquiries from the District, and the managing partner's or design architect's role in each project;

- 6.) References for the managing partner, including names, addresses, and telephone numbers, and a letter authorizing each reference to respond to inquiries regarding the design, financing and development of prior projects; and
- 7.) A list of the professionals the Offeror will be employing for this project. For each professional firm, there should be a description of the staff capabilities, the resumes of all senior-level staff who will be working on this project, and information on their particular role on this project and their past experiences that are directly relevant to this project.
- 8.) Offerors may submit additional material that they believe will assist the District in evaluating the capabilities of the Offeror, the design architect, and any other professional who will be participating in the development. The District shall request additional information from the authorized representatives, if deemed necessary, to facilitate the evaluation of the Offeror's submissions.

D. Financial Feasibility

- 1.) Development budget and schedule, including projected construction/rehabilitation/remediation costs as well as a reasonable estimate and articulation of projected soft costs such as architectural fees, engineering fees, marketing costs, financing fees, etc. The schedule should include realistic benchmarks for phases of design completion and phases of construction completion;
- 2.) A proposed financing plan, including a comprehensive listing of all projected sources and uses of project funding and a description of the expected equity requirements and sources, and anticipated sources of construction and permanent financing. Offeror should provide sufficient detail for the District to determine the feasibility of the proposed financing plan including, but not limited to:
  - a.) A statement of the proposed annual ground rent;
  - b.) A statement of public subsidy (local or Federal), if any, required to make the project financially feasible; and
  - c.) The extent of any private contributions or grants that have been obtained or will be required to complete or operate the project;

- 3.) Projected annual cash flow statement for the project, detailed to include estimated income and expenses, for a minimum of ten (10) years; and
- 4.) Satisfactory written evidence of the Offeror's ability to secure financing for the project.

E. Minority and LSDBE Participation

- 1.) List all LSDBE individuals certified by the Local Business Opportunity Commission that are members of the Offeror, including their percentage of ownership interest, if applicable, and whether each is a District resident.
- 2.) Provide a narrative description of the efforts that will be made to provide LSDBEs contracting opportunities related to the redevelopment and reuse of the Property.
- 3.) Provide reasonable projections of the permanent and temporary jobs that will be created for District residents (especially residents from Congress Heights) during the redevelopment and reuse of the Property and what specific efforts will be made to recruit District residents for these jobs.

F. Program of Uses and Public Benefits

- 1.) Provide a detailed description of the proposed mix of uses and/or users (if known) for the Property, once it is redeveloped. The square-foot area intended for each use should be indicated. The extent to which any of the proposed uses require zoning relief or other approvals should be indicated, as well. To the extent that Charter School use is a proposed component of the project, a specific Charter School must be identified.
- 2.) Describe any proposed project or neighborhood-related amenities that will be provided on-site.

G. Design Concept

Drawings are required in sufficient detail to represent the design concept and allow the District to evaluate the design quality, compatibility with the historic school building, and the viability of the renovation plan proposed for the school building itself. These submissions should include:

- 1.) Schematic building plans (1/8" = 1') showing floor plans, service and loading areas, and parking layout;
- 2.) Elevations of all facades;
- 3.) Description of the various materials to be used in the renovation of the historic school building and any new construction;
- 4.) Discussion of the District's Historic Preservation Standards and how the proposed redevelopment plan for the historic school is consistent with the recommendations of the Standards; and
- 5.) Description of the extent to which relief/exemption from zoning, building, or other code requirements may be necessary.

#### H. Organizational Documents

Provide executed organizational documents (e.g., corporate charter, partnership agreement, etc.) or, in the alternative, a partnership agreement signed by and among the parties that are participating as the Offeror.

### 8. Proposal Evaluation

Each Offeror is encouraged to engage the community of Congress Heights and elsewhere in developing its offer(s). Further, each Offeror is encouraged to meet with representatives of the agencies who will be involved in the project approval, including but not limited to the Office of Planning (Development Review and Historic Preservation Divisions), the Department of Consumer and Regulatory Affairs (Building and Land Regulation Administration), the Office of Local Business Development, the Department of Employment Services, etc.

Evaluation of the offers will take place in two stages. The Chief Property Management Officer will determine whether each proposal meets the Minimum Criteria and is considered to be responsive. The Offeror for any offer that is considered to be non-responsive will be so notified in writing and will have an opportunity to clarify any area of the offer that is found to be non-responsive. If a given offer is still found to be non-responsive in one or more areas, the offer will be rejected. The decision of the District in this regard is final and will be explained in writing to the Offeror.

A committee will be formed to evaluate the responsive offers according to the Discretionary Criteria. The committee, at its option, may interview the Offerors and/or ask for additional written responses and clarifications. The committee will be composed of District government officers, employees, and representatives,

together with such consultants and advisors formally retained by the District, who have particular expertise or experience that is relevant to the disposition of the Property and/or the Old Congress Heights School.

The committee will make a written recommendation to the Chief Property Management Officer, who will, in turn, make a written recommendation to the Mayor for decision. The Mayor's preferred offer will then be selected.

## 9. Timetable

All offers must be submitted to the District by 4:00 pm on **May 24, 2006**. Any offers submitted after this time will not be considered.

The selection process will follow the timetable below (all days are calendar days unless otherwise noted):

Issuance of Solicitation:	<b>March 24, 2006</b>
Offeror Conference/Property Tours:	<u>Conference #1</u> April 5, 2006, 11:00 am District City-Wide Conference Center Conference Room 1117-South 441 4 <sup>th</sup> Street, N.W. Washington, D.C. 20001  <u>Conference #2</u> April 18, 2006, 6:00 pm District City-Wide Conference Center Conference Room 1117-South 441 4 <sup>th</sup> Street, N.W. Washington, D.C. 20001  Property tours scheduled at the respective Offeror Conferences and as needed
Offers Due to District:	Two months following issuance of Solicitation ( <b>May 24, 2006</b> ).
Determination of Responsiveness To Minimum Criteria:	Fifteen days after offers due.
Final Responses Due (If Necessary):	One month after offers due.
Presentations (If Requested):	During the week one month after

offers due.

Offeror Final Selection:

Two months after offers due.

Following receipt of written notification of the selection of the chosen Offeror, the selected Offeror will proceed to negotiate a long-term lease agreement that requires redevelopment of the Property consistent with the offer submitted. If the District and the selected Offeror are unable to agree on the final terms of a long-term lease agreement within ninety (90) days, the District, in its absolute and sole discretion, may terminate negotiations and select a different Offeror from among the Offerors that submitted offers or re-issue this Solicitation. Notwithstanding any provision to the contrary, the District's authority to dispose of the Property shall terminate upon the expiration of the two-year period following approval of the authorizing Resolution submitted by the Mayor in accordance with D.C. Official Code § 10-801(b)(6), unless such authority shall first have been extended pursuant to Resolution submitted by the Mayor and approved by the Council in accordance with D.C. Official Code § 10-801(d). In accordance with D.C. Official Code § 10-801(f), the final terms and conditions for the disposition of the Property shall not become final until after notice of such terms and conditions shall have been submitted to any affected Area Neighborhood Commission for comment in accordance with D.C. Official Code § 1-309.10.

## **10. For Further Information**

All questions related to this Solicitation should be directed to Eric Scott, Project Coordinator, Office of Property Management, 441 4<sup>th</sup> Street, N.W., Suite 1100-South, Washington, D.C. 20001. Telephone: (202) 724-4125, FAX: (202) 724-4719, E-Mail: [eric.scott@dc.gov](mailto:eric.scott@dc.gov).

## Exhibit A

**IRREVOCABLE STANDBY LETTER OF CREDIT**

ISSUER:

DATE OF ISSUE: \_\_\_\_\_

\_\_\_\_\_ Bank  
 [address]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_

BENEFICIARY

APPLICANT

District of Columbia, by and through  
 the Office of Property Management  
 441 Fourth Street, N.W.  
 Washington, D.C. 20001

Name:

AMOUNT: U.S. \$ \_\_\_\_\_

EXPIRY DATE: June 30, 200\_\_\_\_, subject to renewal provisions herein

REFERENCE: \_\_\_\_\_

Gentlemen and Ladies:

We hereby establish our Irrevocable Standby Letter of Credit No. \_\_\_\_\_ ("Letter of Credit") in favor of Beneficiary for the account of Applicant up to an aggregate amount of \_\_\_\_\_ HUNDRED THOUSAND U.S. DOLLARS (U.S. \$ \_\_\_\_\_), available for payment when accompanied by the following:

1. A draft at sight drawn on [Issuer], duly endorsed on its reverse thereof by a duly authorized representative of the Beneficiary, specifically referencing this Letter of Credit Number;
2. The original of this Letter of Credit; and
3. A dated statement issued on the letterhead of Beneficiary, stating: "The amount of this drawing is \$ \_\_\_\_\_, drawn under Irrevocable Standby Letter of Credit No. \_\_\_\_\_ and represents funds due and owing to the District of Columbia." Such statement shall be conclusive as to such matters and we will accept such statement as binding and correct. We shall have no right, duty, obligation or responsibility to evaluate the performance or non-performance of any underlying agreement between Applicant and Beneficiary of this credit.

This Letter of Credit shall automatically renew for one year terms upon the anniversary of the expiry date set forth above (the "Anniversary Date") for a period of five years, unless (i) earlier released by the Beneficiary or (ii) Issuer delivers written notice to both Applicant and Beneficiary that this Letter of Credit will not be renewed on the Anniversary Date, provided that Issuer delivers such notice no later than 60 days prior to the Anniversary Date.

If a drawing is made by Beneficiary under this Letter of Credit at or prior to 1:00 p.m. (District of Columbia time) on a Business Day (defined below) and, provided that such drawing and the statement presented in connection therewith conform to the terms and conditions hereof, payment shall be made to Beneficiary in the amount specified, in immediately available funds, on the same Business Day. If a drawing is made by Beneficiary under this Letter of Credit after 1:00 p.m. (District of Columbia time) on a Business Day and, provided that such drawing and the statement presented in connection therewith

conform to the terms and conditions hereof, payment shall be made to Beneficiary in the amount specified, in immediately available funds on the next Business Day. If requested by Beneficiary, payment under this Letter of Credit may be made by deposit of immediately available funds into an account designated by Beneficiary. As used herein, the term "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the District of Columbia are authorized or required by law to close.

Drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented by the Chief Property Management Officer, or his/her chief of staff, to our Letter of Credit Department at our Corporate Office[address of Issuer], Attn: Corporate Lending Group, on or before the Expiry Date or Anniversary Date, as the case may be.

Except as otherwise expressly provided herein, this Letter of Credit is governed by the District of Columbia Uniform Commercial Code and is subject to the International Standby Practices 1998 (ISP), International Chamber of Commerce Publication No. 590. In case of conflict between the District of Columbia Uniform Commercial Code and the International Standby Practices 1998 (ISP), the District of Columbia Uniform Commercial Code shall control.

This Letter of Credit sets forth in full the terms of our undertaking. This undertaking shall not in any way be modified, amended, amplified or incorporated by reference to any document, contract, or other agreement, without the express written authorization of Issuer, Beneficiary and Applicant.

Should you have occasion to communicate with us regarding this Letter of Credit, kindly direct your communication to the attention of our Letter of Credit Department, Corporate Lending Group, making specific reference to our Letter of Credit No. \_\_\_\_\_.

**[ISSUER]**

By: \_\_\_\_\_  
Name  
Title

State of \_\_\_\_\_)  
County of \_\_\_\_\_)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid on this \_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, duly authorized representative of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public